No: PNGRB/CGD/BID/5/2015-PRE BID

पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड

Petroleum and Natural Gas Regulatory Board

प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली: 110001

1st Floor, World Trade Centre, Babar Road, New Delhi - 110001

7th April, 2015

To,

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Subject: Response to the Clarifications sought relating to 5th round CGD Bidding

Sir,

With reference to the Pre-Bid meeting held on 23rd March 2015 and submissions made by various entities related to the issues concerning 5th round CGD bidding, response to the Clarifications sought by the prospective bidders are enclosed herewith. These Clarifications shall constitute a part of respective Application-Cum-Bid- Document and shall be duly signed and submitted along with the bid document by the authorized signatory of the entity.

Yours faithfully,

Encl: As above

7/4/2015

(K. Rajeswara Rao)
OSD(R)

RESPONSE TO THE CLARIFICATIONS SOUGHT

S. No.	Issue Raised	Clarifications
(i)	Draft Guidelines for granting Marketing Rights for CNG as Transportation Fuel, including setting up CNG stations issued by MOP&NG	PNGRB has conveyed its comments to MOP&NG on this issue. It is clarified that the Guidelines are still at draft stage and have not been finalised yet. As of now, the stated position of MOP&NG as per their letter No. L-16021/9/2013-GP dated 5th Feb 2014 is that no entity except those (i) who are authorised by PNGRB under PNGRB Act, 2006 to establish a city or local gas distribution network in their respective Geographical Area, or (ii) who are deemed to have authorisation under PNGRB Act, 2006 for establishing a city or local gas distribution network in their respective Geographical Area, may set up a new CNG station till further order. Further, the issue of other entities setting up of CNG stations other than authorised entity within the authorised GA is at present sub judice in the Hon'ble Punjab and Haryana High Court.
(ii)	Standardized mechanism for tariff determination by the bidding entities.	The bidding entities are free to determine network tariffs, compression charges and rate of returns as per their own policies/methodology.
(iii)	Formation of SPV/Consortium related/ Formation of a Company/Equity Lock in period etc.	Refer Regulations 5 (6) (f), 10 (3), 10 (4) and 10 (5) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and Clauses 7 and 8.0 on pages 3 and 28 respectively of the Application- Cum - Bid Document (ACBD).

(iv)	Networth/ Bid Bond/ Additional Bid Bond/ Performance Bond related.	Refer Regulations 5 (6) (e) and 5 (6) (h) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and Clauses 1.4.2.1, 1.4.4, 1.5, 1.6 and 4.5 of ACBD.
(v)	Withdrawal/Modification of Bids – Does the word "Modify" also encompasses change in bidding consortium. If answer is No, please provide the provision for Change in bidding consortium and what is definition of due time and how bid submission is different from due time and date of submission	The word "Modify" used in Clause 2.8.3.1 of the ACBD does not encompass change in the bidding consortium. As regards to the provisions for change in bidding consortium, refer clarifications provided at point (iii) above. Further, due time and date of submission has been clearly indicated on page 2 and in Clause 3.1.2 of the ACBD.
(vi)	Number of Charge Areas (CA) are on higher side for the GAs of East Godavari District excluding area already authorized (Existing CAs -60; Proposed CAs-6),West Godavari District (Existing CAs-46;Proposed CAs -5) and Krishna District excluding area already authorized (Existing CAs -50;Proposed CAs -5)	No change, CAs in any given GA are demarcated based on number of Tehsils/ Mandals/ Talukas etc. and for these GAs, CAs are demarcated as per the Mandal boundaries within the districts.
(vii)	Clause 2.5 of the ACBD - it is difficult to reach all CAs in a period of five years by completing the target of 1800 inch KMs complying with Minimum Work Programme for the GAs of	Minimum Work Programme is as per Regulation 7 (c) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations,

<table>
<tr><td></td><td>East Godavari District excluding area already authorized, West Godavari District and Krishna District excluding area already authorized</td><td rowspan="2">2008</td></tr>
<tr><td>(viii)</td><td>Clause 2.5 of the ACBD specifies the number of PNG domestic connections to be achieved in 5 years which are on the higher side for the GAs of East Godavari District excluding area already authorized, West Godavari District and Krishna District excluding area already authorized which are difficult to comply with as they are on higher side</td></tr>
<tr><td>(ix)</td><td>What is the target of PNG domestic connections for the rest of the 20 years of economic life</td><td>Authorized entity could decide number of PNG domestic connections for the rest of 20 years of the economic life.</td></tr>
<tr><td>(x)</td><td>Extension of time for bid submission – (i) Large size of the GA and large number of CAs (ii) Time required for Market surveys and analysis. and (iii) Management approval takes time.</td><td>Revised bid schedule is as under:
(i) Last Date of Bid Issuance: 15th May 2015 upto 1500 hrs.
(ii) Bid Closing Date & Time: 22nd May 2015 upto 1200 hrs.
(iii) Part I (Technical Bid) Opening Date & Time:

<table><tr><th><u>22nd May 2015 at 14.30 hrs.</u></th><th><u>25th May 2015 at 1100 hrs.</u></th></tr><tr><td>1. East Godavari District (excluding area already authorised)
2. Belgaum District</td><td>1. Krishna District (excluding area already authorised)
2. Muzaffarnagar District
3. West Godavari District</td></tr></table></td></tr>
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<table>
<tr><td></td><td></td><td>
<table>
<tr><td>3. Ahmadnagar District</td><td>4. Badaun District</td></tr>
<tr><td><u>26th May 2015 at 1100 hrs.</u>

1. Aligarh District
2. Bulandshahr District (excluding area already authorised)
3. Banaskantha District
4. Tumkur District
5. Latur District</td><td><u>27th May 2015 at 1100 hrs.</u>

1. Dhar District (excluding area already authorised)
2. Dahod District
3. Haridwar District
4. Dharwad District
5. Shivpuri District</td></tr>
<tr><td><u>25th May 2015 at 1100 hrs.</u>

1. Bidar District
2. Osmanabad District
3. Udham Singh Nagar District</td><td></td></tr>
</table>
</td></tr>
<tr><td>(xi)</td><td>Geographical Area map of Bulandshahr District does not exclude the already authorized area of Khurja GA.</td><td>GA map has been revised to exclude areas already authorized under Khurja GA (Annex-I). Accordingly, the revised details are as under:
<table>
<tr><td>S.No</td><td>Parameter</td><td></td></tr>
<tr><td>1.</td><td>Area</td><td>3142 Sq. KMs</td></tr>
<tr><td>2.</td><td>Population</td><td>33.88 Lakhs</td></tr>
<tr><td>3.</td><td>Households</td><td>567888</td></tr>
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</td></tr>
</table>

4	Infrastructure for PNG domestic connections	28394
5	Inch-KM of pipeline to be laid	1131

Infrastructure for PNG domestic connections [year wise targets at the end of year)]:

Year	Value
1	Nil
2 (15%)	4259
3 (50%)	14197
4 (70%)	19876
5 (100%)	28394

Inch-kilometer of pipeline [year wise targets at the end of year)]:

Year	Value
1(20%)	226
2 (50%)	566
3 (80%)	905
4 (90%)	1018

<table>
<tr><td></td><td></td><td><table><tr><td>5 (100%)</td><td>1131</td></tr></table></td></tr>
<tr><td>(xii)</td><td>Amending the bidding Parameters– suggested options
<u>Option I</u>
<table><tr><th>S. No.</th><th>Bid Criteria</th><th>% wt</th><th>Penalty</th></tr><tr><td>1</td><td>Lowness of PV for Network Tariff</td><td>20</td><td>Cancellation of Authorization</td></tr><tr><td>2</td><td>Lowness of PV for Compression</td><td>20</td><td>Cancellation of Authorization</td></tr><tr><td>3</td><td>MWP (5 years)</td><td></td><td></td></tr><tr><td></td><td>PNG Domestic Connections</td><td>20</td><td>Encashing of PBG on Pro rata basis, annually</td></tr><tr><td></td><td>Inch-Km of Steel Pipelines</td><td>20</td><td>Encashing of PBG on Pro rata basis, annually</td></tr><tr><td></td><td>CNG Station</td><td>20</td><td>Encashing of PBG on Pro</td></tr></table></td><td>No change. Based on the experience of the previous rounds of CGD bidding, PNGRB has revised the bidding criteria after having extensive public consultation process.</td></tr>
</table>

				rata basis, annually

PBG linked to year wise MWP quoted by the bidder during the bid.

Option II

Tariff 30%
Compression Charges – 30%
Marketing Margin – 20% (for domestic PNG & CNG)
Geometric Volume of Steel grid in m^3